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## **PRESIDENT DIRECTS FEDERAL AGENCIES TO PROVIDE HEALTH CARE QUALITY AND PRICE INFORMATION FOR CONSUMERS**

With an Executive Order aimed at federal agencies that provide coverage to nearly one in every four Americans with health insurance, President Bush today took a major step forward in providing consumers with easy-to-use information about the quality and price of their health care. The information will enable consumers to make informed choices among doctors and hospitals, and it will help support doctors and hospitals that deliver high-quality care and avoid unnecessary health care costs, creating opportunities to improve care and lower its costs.

The Executive Order directs agencies that administer or support health insurance programs to take steps that will result in more complete and open information for consumers. The President said he hopes the Federal action will be followed by similar commitments in the private sector, and in state and local government. He directed Health and Human Services Secretary Mike Leavitt to work collaboratively with the health care sector to ensure that information provided to consumers is reliable and accurate.

The steps required by today's order include the sharing of information about the quality of care delivered by doctors and hospitals, as well as the prices paid to these providers. The order also requires agencies and their health care contractors to promote the use of interoperable health information technology products, so that data can be easily shared. In addition, it requires agencies to offer insurance options that reward consumers who exercise choice among health providers based on value and quality of care.

Programs administered and sponsored by the federal government represent a significant portion of the nation's health care market, but until recently these programs have not been collaborating extensively with privately-led efforts to improve the availability of information to consumers. Today's Executive Order will result in increased quality and price information for all Medicare beneficiaries, those covered by Department of Defense health programs, Veterans Affairs Administration beneficiaries, and employees and their families covered under the Federal Health Benefits Program. Action by states will be needed to commit federally-supported Medicaid programs to the goals of the Executive Order.

The President said today's Executive Order is a first step in a larger plan to provide open health quality and price information for all American consumers. He invited other employers to make similar commitments on behalf of their employees, including major private employers and states and local governments. And he pledged that the Administration will work with health care providers as well as labor unions, the insurance industry and others to support a reliable and comprehensive system of health quality and price information.

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“People deserve to know what their health care costs, how good it is, and the choices available to them,” HHS Secretary Mike Leavitt said. “The President’s action today is a major step forward in giving consumers easy-to-use information about the quality and price of their health care. This is fundamental to achieving a health care system that delivers good value.”

Secretary Leavitt said the effort will begin with information available now and will grow in volume and sophistication over time. National “alliance” organizations bringing together payers and health care provider organizations have been at work for several years developing quality measures for ambulatory care (especially physician care), hospitals and other institutions. The goal of the President’s initiative is to strengthen and build on these efforts and ultimately present consumers with information in a single, easy-to-use spreadsheet format.

In Medicare, early measures of quality have been available for hospitals, nursing homes and other institutions for several years. These quality measures are in the process of being expanded through the collaborative “alliance” process. Some quality information is also available at present through insurers and other sources. In addition, Medicare began this year posting information on the Web about the prices it pays for hospital care. Medicare plans to begin posting information about payment rates to physicians this fall.

Ultimately, under the President’s plan, local information on the quality and cost of care for most Americans would be available from the collaboration of health care providers, public and private payers, and other stakeholders in different regions of the country. The collaboration by providers and payers would create an unprecedented broad and reliable foundation of information on the quality and price of services delivered by each health care provider. Quality and cost measures developed through this process would be made available to consumers.

A federally-sponsored program is currently underway in six geographic areas that will examine best practices for aggregating and sharing information.

Under today’s Executive Order, price and quality information would be made available for the particular benefit of those enrolled in the federally-administered or sponsored programs. However, much of this information will also be available in Web formats available to the general public.

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